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(U) CHINA: TWO MONOGRAPHS ON SOCIAL REFORM

Overview

China has taken unprecedented steps during the past year to implement reforms that cut across the entire spectrum of Chinese society. Changes in the economic, military, government, and party structures have been enunciated, and some implementation is already under way. Although Deng Xiaoping's policies have run into opposition from conservative elements, Deng seems prepared to go as far as he can during what is left of his tenure.

Two of the more recent reforms, which have received relatively little notice outside China, are in education and health care. The education plan is comprehensive, involving all levels and types of education and extending to teacher training, tuition, fees, and grants and scholarships. In health care, the goal is to provide improving services to the majority of people essentially by encouraging private initiative among enterprises, collectives, and individuals and by improving the management of state-directed hospitals and other health facilities.

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Education Conference Announces Reforms

China's plan for comprehensive reform of the educational system was unveiled at the May 15-20 national educational conference. As at the parallel science reform conference earlier this year, virtually the entire senior leadership turned out to endorse the plan and Deng Xiaoping gave the keynote address. Deng specifically attributed his appearance at the conference to his personal support

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for education. Only President Li Xiannian was absent, having suffered minor injuries in an earlier bathroom fall.

Despite the show of leadership unity, recent debate over educational reform reportedly has been bitter, with money, power, and issues of educational philosophy at stake. At the heart of the reforms is the extension of Deng's market-oriented approach to education, a development that some fear will degrade the level of general scholarship in favor of a shortsighted emphasis on applied fields. Major universities--especially those with strong engineering and technical departments--will benefit from the reforms, but small liberal arts and teaching colleges fear they may suffer.

Among the changes announced at the conference were the gradual introduction of nine years of compulsory education, greater emphasis on vocational and technical secondary school education, greater academic and administrative freedom for colleges and universities, abolition of most free higher education, introduction of private and corporate sponsorship for schools, and greater flexibility in postgraduation job assignments.

Although the basic outlines of the reform were already known, measures for the gradual introduction of some of them demonstrate leadership sensitivity to their controversial nature. Compulsory primary schooling, for example, will be introduced slowly over the next decade, with major cities and coastal areas to implement the program by 1990, followed by small cities and most rural areas by 1995. Remote and poor areas are told to aim for the goal of nine years of schooling "according to their local conditions."

Expansion of vocational and technical schooling is a major goal of the reform. At present, 32 percent of China's secondary school students are in such programs, a proportion expected to increase to 50 percent by 1990. Some high schools reportedly will be converted into vocational institutions. In addition, local authorities and enterprises will be encouraged to establish training institutes at both secondary and college levels. Private schools also will be permitted and, if found academically qualified, will be allowed to confer degrees.

A combination of scholarships and grants will replace the system of free tuition for most of China's more than 1.4 million college students, according to a spokesman from the Ministry of Education. Most students will have to pay part of their expenses, but those in teacher-training programs and volunteers for hardship posts in remote provinces will continue to be funded by the state. Greater choice in job assignment has been promised for graduates, varying with the degree of government support.

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It is not known whether the leadership plans to introduce tuition charges gradually, but tuition is likely to be an unpopular measure with many students and their families. Earlier this year, college students staged protests at several campuses when authorities announced plans to award vacation allowances for spring break on the basis of performance rather than as uniform grants. Party Secretariat member Hu Qili was dispatched to at least one campus to explain central policy.

In a related development, the government announced the beginning of compulsory military training for college students, a measure mandated by the revised draft law promulgated last June. Starting with 52 selected colleges and 102 high schools, students will begin taking military courses in September. Curricula will include both compulsory and elective courses chosen from 13 subjects including military science, small arms handling, tactics, and wartime mobilization. After course work, students will undergo officer candidate basic training and be assigned as junior officers in the reserve forces.

#### Health Care To Follow Market-Oriented Reform Pattern

The State Council in early May approved a health care system reform which follows the familiar pattern of encouraging private initiative and reinforcing management responsibility with increased authority. This plan also entails some of the familiar risks of greater market emphasis in the provision of social services.

According to the plan, managers of state-run public health facilities will be given expanded authority to hire and fire, reward and discipline workers; greater control over their budgets; and more latitude in adopting new management methods. Management personnel will operate on a tenure system, other cadres by appointment, and workers on a contract basis. Qualified medical practitioners--including retired Western doctors, midwives, herbal practitioners, and traditional medical experts--are encouraged to open private clinics to supplement publicly funded facilities. Although their fees will be supervised by the state, private practitioners will be able to charge more than their state-supported colleagues. In the last two years, some 80,000 private doctors have reportedly hung out their shingles.

In addition to centrally and locally operated hospitals and clinics, enterprises and collectives are being urged to open public health facilities. Unlike in the past, the emphasis will be on providing service to the consumer. Hospitals and clinics are being encouraged, for example, to accept all patients, not just those from the work unit sponsoring the facility; and the Ministry of Public Health is calling for clinics to provide

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longer and more convenient hours and expanded provision of out-patient and house-call services.

These reforms may well accomplish their goal of increasing and improving health care services for the majority of consumers. They run the risk, however, of repeating the experience of other countries where emphasis on profitmaking medicine has tended to improve service mainly for those who can best afford it, while those most in need of health care--the poor, the elderly, and the handicapped--are left behind. In addition, with the decline of collective and commune activity in the countryside, many villages--especially those in poor and remote areas--are probably having difficulty funding health facilities or attracting medical personnel. Indeed, under the reforms many of the best people and scarce resources may tend to gravitate toward more lucrative urban private practice.

Apparently cognizant of these risks, the Ministry of Public Health warned that economic issues should not be the sole factor for reform. The leadership will likely be careful to try to maintain at least the appearance of a minimum safety net for the poor. Nevertheless, an urban-centered and market-oriented health care system is likely to rankle those with nostalgia for the socialist spirit of Norman Bethune and Mao's Tse-tung's barefoot doctors.

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